Judge: Hon. Marc L. Barreca
Chapter: Chapter 7
Hearing Date: February 17, 2012
Hearing Time: 9:30 a.m.

UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re: ADAM GROSSMAN , Debtor. RONALD G. BROWN, solely in his capacity as Chapter 7 Trustee of the estate of Adam Grossman, Plaintiff, vs. KEYWEST FINANCIAL, LLC., Et. Al. Defendant.	Case No. 10-19817 **DECLARATION OF DENICE MOEWES IN SUPPORT OF TRUSTEE'S RESPONSE TO DEBTOR'S MOTION FOR ORDER THAT PROCEEDING IS ONE UNDER STOCKBROKER LIQUIDATION SUBCHAPTER III**

DENICE MOEWES declares under penalty of perjury of the laws of the State of Washington as set forth below.

1. I am over the age of 21 and am competent to make this declaration.

2. I am an attorney at the law firm of Wood & Jones, P.S., and we represent Ronald Brown, the Chapter 7 Trustee.

3. I am unaware of any person or entity that has a pre-petition claim against Adam Grossman that arose out of a cash deposit, security or of property for the purpose of purchasing or selling securities, and Mr. Grossman has not provided documentation indicating there are any.

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303 N. 67th Street
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4. I have reviewed the claims register and the claims filed and no one has made a claim against Mr. Grossman for cash deposits made to him for purchasing securities in any of the filed claims.

5. If there are investor funds that need to be disbursed to the creditors of the Tanager Fund/Terrington Davies, I am completely unaware of said funds. The existence of any investor funds are not disclosed on the debtor's bankruptcy schedules or the numerous amendments thereto.

6. I am not aware of any funds we have received that are from any investor or investor funds. The Trustee has never received any funds from either the Terrington Davies Tanager Fund, LP or Terrington Davies, LLC.

7. Attached hereto as Exhibit "1" is a true and correct of an email from me to Jeff Wells and Emily Jarvis dated January 27, 2012.

8. Attached hereto as Exhibit "2" is a true and correct copy of an email from Bob Dellas to Jeffrey Bernstein dated April 2, 2011 that was provided to me by Stephen Porter, a partner with the law firm of Whitehead & Porter, 220 Montgomery Street, #1850, San Francisco, California 94104, who was the attorney for Dellas Family Trust. A copy of the entire email thread is on ECF, docket #304, Exhibit "2'.

9. Attached hereto as Exhibit "3"are pages 2 and 18 of the transcript of the section 341 meeting of Adam Grossman conducted on September 28, 2010. The entire transcript is filed on ECF in the main case under docket #35.

Signed and dated at Seattle, Washington this 10th day of February, 2012.

Denice E. Moewes

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EXHIBIT“1”

Subj: **Grossman**
Date: 1/27/2012
To: jeff@fosterlawoffices.com, emily@jeffwellslaw.com

This is I believe my 4th 5th or 6th request to you to please provide me with a copy of the notice of Trustee's sale in relation to the foreclosure you are referencing in your motion to reimpose the stay.

We need this document in order to determine if we are going to object.

Secondly, I previously asked you to please advise as to what investor funds you believe the trustee is holding, because as far as I am aware, we have none. To date I have received no response to that email. Please respond to that so I can discuss your stockbroker motion with the Trustee.

Denice Moewes
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Seattle, WA 98103
206-623-4382

Subj: **Grossman**
Date: 1/27/2012
To: jeff@jeffwellslaw.com

Jeff and Emily:

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EXHIBIT "2"

communication open between us.

-Jeff
206-795-8327

On Sat, Apr 2, 2011 at 1:06 PM, Bob Dellas <BobDellas@earthlink.net> wrote:
Hi Jeff,

Thank you for getting back to me so quickly. I'm sorry I didn't do the same. I had cataract eye surgery Thursday morning and have been in excruciating pain and unable to open either eye since then. I'm just now getting some relief.

First, I hope your wife is doing well and her surgery was not too serious. I agree that it would be best to protect her from the messy details of The Tanager Fund at this time. I have already had to tell my wife about this incident and it was not pleasant. What makes it especially difficult, is that my wife and I have known Adam since he was 6 years old. We both worked with his father and shared many good times, travels, and life growing experiences together. We know that Adam has been going through a turbulent divorce but still terribly disappointed at the way this investment has played out.

I was made aware via email that the Tanager Fund was closing down on 12-6-10 and expected my distribution to be forthcoming immediately or shortly thereafter. I pursued it with Adam and he said it was somehow tied up in his divorce because of an erroneous court ruling by the Family Law Court. I wondered why even the nastiest divorce lawyer would dare to attach a fiduciary or custodial account holding investors' money or how any court could rule in favor of such a motion, but I trusted Adam and believed his explanations. I finally confronted Adam on Sunday March 20, 2011 and asked him very specific questions, including the person at the court holding the funds. Adam proceeded to give me varying stories that were not exactly consistent but I did find out a lot of information that I feel I should have previously been provided by the General Partner. Amongst the facts that I became aware of that night were:

1. Adam filed for bankruptcy (Chapter 11 or 7?) sometime in 2009
2. The Fund stopped trading in August or September, 2010
3. You resigned as the President of the General Partner in November, 2010

Adam called me back late that Sunday night to admit that he had been lying and leading me on about getting my distribution. He then admitted that the money was not available. The trustee in his bankruptcy was not holding the money, as he had previously claimed. He also admitted that he had previously transferred monies out of the Tanager account and concurrently deposited another check in the same amount into the Fund in order to assure good funds for a personal real estate transaction. I do not know all the facts at this time, especially where the money went and when. There has obviously been a severe breach of fiduciary responsibility by the General Partner, Terrington Davies LLC. Unfortunately, I am out $161,737 based on the Fund's closing NAV and I intend to collect it.

Unfortunately for you, Jeff, you were the President and Secretary of the issuing General Partner that took in funds to trade on behalf of the Limited Partners with very specific terms for both parties. You collected fees and signed correspondence on behalf of the General Partner. You, as a corporate lawyer with sterling academic credentials, were an integral officer of the managing General Partner. Even though you claim to have resigned in November, 2010, you did not provide any notice of that fact to us Limited Partners. Regardless, you cannot just resign from your fiduciary responsibilities, especially without notification to the Limiteds. You had an ongoing obligation to notify us Limited Partners of this major change in management, assure us that all funds were in a fiduciary account adequate to meet all obligations and redemptions, and reiterate that we were free to redeem our units immediately or at the end of that month. You said that you were surprised that I did not receive my distribution. However, you were in a fiduciary position of being responsible for knowing the status of the funds entrusted to Terrington Davies, LLC.

I assume that you and Adam have a lot to talk about. I would suggest that you and he work out an agreement amongst yourselves by which I can be paid fully and fairly in a somewhat timely manner with adequate assurances. I also assume that the 2010 K-1 will adequately reflect the assets, liabilities and activities of The Tanager Fund for the last year and that you will inform the accountants of any non-distributions.

I am desirous of resolving this situation amicably amongst ourselves in an equitable way. I look forward to speaking with you by phone or email towards that end. However, if you would prefer that I procure a lawyer for any future conversations, I will do so. Just let me know your wishes.

With Best Regards,

Bob Dellas

FYI I am attaching my summary analysis of this investment in The Tanager Fund as I had promised Adam

--
Jeff Bernstein
1916 2nd Ave. N
Seattle, WA 98109-2505
206-795-8327

"You'll never run out of people you can help." --Chuck Feeny, Founder, The Atlantic Philanthropies

--
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206-588-0343

"You'll never run out of people you can help." --Chuck Feeny, Founder, The Atlantic Philanthropies

EXHIBIT “3”

Mr. Grossman, did you file a petition for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code?

Grossman: Yes

Courshon: And with the help of your attorney did you prepare and submit statement of financial affairs and schedules of your assets and liabilities as required by the Bankruptcy Code and Rules?

Grossman: Yes

Courshon: Are the schedules and statement of financial affairs true and accurate to the best of your knowledge?

Grossman: Yes

Courshon: Have there been any significant additions or changes since the filing that you are aware of?

Grossman: Yes, I may be selling one of the houses. We're drawing up papers now.

Courshon: One of the houses listed on your bankruptcy schedules?

Grossman: Correct.

Courshon: But are you aware that you cannot sell any property or bankruptcy estate without getting a court order first on notice to creditors?

Grossman: It's my business…

O'Conner: Well, he's in the business of buying and selling real estate, so it's our understanding that to proceed with a purchase and sale of what he does for a living does not require a court order.

Courshon: You know, I understand that that is one of the businesses he's involved in, but –

Grossman: It's my primary business.

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TS: And this one Charles Schwab account holds the accounts of all the limited partners?

Grossman: Correct, so sometimes those would be done as sub-accounts, but this broker doesn't do that so it just shows as one.

TS: So if you log in, what's the amount that will show for the Charles Schwab account?

Grossman: Today? 375

TS: $375.00?

Grossman: No, $375,000.

Courshon: So a couple of these limited partners that you've invested monies for in this account have requested redemptions to withdraw $20,000 out of the account. So after they withdraw that, then it will go down from 375 to 355, and of that 355 there's about 9,000 which relate to either family members or related entities.

Grossman: Exactly.

TS: Ok. Thank you for clarifying. Are there any obligations that Tanager Fund LP owes?

Grossman: No

TS: No obligations?

Grossman: None

TS: How about the Adam Grossman & Company?

Grossman: Well, um, I – I've held that as – as a sole proprietorship for 18 years and, basically, I run consultant – all consultant income runs through that. Anything that comes from _____ runs through that. Anything that comes from ______ Advisors runs through that. I did consulting three years ago; that gets run through that. During the dot-com boom, I did consulting –

TS: Could you explain to me "it gets run through that"?

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